

Advocacy Applaud SBA Rulemaking and Asks SBA to Re-Publish Proposed 8(a) Regulations

On January 28, 2010, the Office of Advocacy (Advocacy) filed a comment letter to the United States Small Business Administration (SBA), discussing small entity concerns with SBA's proposed rulemaking to regulate the 8(a) procurement program. Advocacy applauded SBA for proposing some necessary regulatory revisions to its 8(a) and socially and economically disadvantaged business (SDB) programs, including:

- moving some of SBA's internal practices regarding these programs into a regulatory framework.
- recognizing some of the cost burdens that 8(a) companies encounter when complying with SBA's requirement of audited financial statements and providing some companies with alternative compliance opportunities.
- proposing to exempt funds in Individual Retirement Accounts from the calculation of net worth.
- conducting regional public forums across the United States.

Advocacy believes that the public should have an opportunity to review and comment on the written testimony obtained by SBA from these regional public forums. Advocacy also pointed to the need for more detailed discussions of several proposals. These included:

- The proposal to establish a residency requirement for 8(a) companies. The proposal if implemented would require the participant to spend part of every month physically present at his/her primary office.
- The proposed language that would clarify that the administration of the program has been delegated to procuring agencies.
- The proposal to allow part-time companies to participate in the SDB program and allow SDB owners to devote fewer than 40 hours per week to their SDB firms. SBA's only justification for this is the fact that the SDB program is not a business development program, as is the 8(a) program.

For more information, visit Advocacy's webpage at www.sbs.gov/advo, or contact Major Clark at (202) 205-7150, or major.clark@sba.gov.